

FY 2006 Salary Bill House File 881

Last Action:
**Senate Appropriations
Committee**
May 3, 2005

An Act relating to the compensation and benefits for public officials and employees and members of the general assembly, providing for related matters, making appropriations, and including an effective and retroactive applicability date provisions.

**Fiscal Services Division
Legislative Services Agency**

NOTES ON BILLS AND AMENDMENTS (NOBA)

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EXECUTIVE SUMMARY NOTES ON BILLS AND AMENDMENTS

HOUSE FILE 881 FY 2006 SALARY BILL

SIGNIFICANT SALARY ACT PROVISIONS

- Provides a 4.5% salary increase for justices, judges, and magistrates for FY 2006. Increases are effective July 1, 2005. (Page 1, Line 1)
- Provides 17.3% salary increase for elected executive officials, with the exception of the Governor and Lt. Governor, for FY 2006, effective July 1, 2005. (Page 2, Line 7)
- Provides salary range adjustments for appointed officials for FY 2006, effective July 1, 2005. (Page 3, Line 34 through Page 6, Line 10)
- Appropriates \$38.5 million from the General Fund to the Salary Adjustment Fund for FY 2006 for the negotiated bargaining agreements for contract-covered employees and noncontract employees, excluding the State Board of Regents, and allocates \$4.9 million to the Judicial Branch. (Page 6, Line 11)
- Provides a 2.5% increase to the pay range maximum effective March 24, 2006, and merit step increases for noncontract employees of the State for FY 2006. (Page 7, Line 24)
- Appropriates Road Use Tax Fund (RUTF) and Primary Road Fund (PRF) moneys to pay salary increases for employees supported from these Funds. (Page 8, Line 21 and Page 8, Line 29)
- Specifies that sworn peace officers in the Department of Public Safety, not covered by a collective bargaining agreement, receive the same per diem meal allowance as covered sworn peace officers. (Page 9, Line 23)
- Extends the American Federation of State, County, and Municipal Employees (AFSCME) Sick Leave Conversion Program to noncontract-covered Executive Branch employees, excluding the Board of Regents employees, and the State Police Officer's Council (SPOC) Program to noncontract-covered peace officers, effective July 1, 2006. Requires the Department of Administrative Services to submit proposed statutory and administrative rule changes necessary to implement the Program to the General Assembly by December 1, 2005. (Page 9, Line 30)
- Provides that the General Fund expenditure limitation for FY 2006 will be based upon the April 8, 2005, revenue estimate and not the December 14, 2004, revenue estimate. This will allow an additional \$84.2 million to be expended for FY 2006 appropriations. (Page 10, Line 13)
- Increases salaries and expense payments for members of the General Assembly. (Page 10, Line 30)
- Increases the annual salary of members of the Racing and Gaming Commission from \$6,000 to \$10,000. (Page 13, Line 2)
- Provides that the Section relating to salary and expense increases for members of the General Assembly is effective in January 2007, upon the convening of the Eighty-second General Assembly, and the Section relating to the expenditure limitation is effective upon enactment and retroactive to January 10, 2005. (Page 13, Line 11)

SIGNIFICANT CHANGES TO THE CODE OF IOWA

EFFECTIVE AND RETROACTIVE DATES

House File 881

House File 881 provides for the following changes to the Code of Iowa.

Page #	Line #	Bill Section	Action	Code Section	Description
3	5	3	Nwthstnd	Sec. 20.5(3)	Public Employment Relations Board Member Salaries
10	13	13	Nwthstnd	Sec. 8.22A(3) and (5)	Expenditure Limitation
10	30	14	Amends	Sec. 2.10(1), (2), (5), and (6)	Salaries and Expense Payments for Members of the General Assembly
13	2	15	Amends	Sec. 99D.5(4)	Racing and Gaming Commission Salaries

1 1 Section 1. STATE COURTS -- JUSTICES, JUDGES, AND
 1 2 MAGISTRATES.
 1 3 1. The salary rates specified in subsection 2 are for the
 1 4 fiscal year beginning July 1, 2005, effective for the pay
 1 5 period beginning July 1, 2005, and for subsequent fiscal years
 1 6 until otherwise provided by the general assembly. The
 1 7 salaries provided for in this section shall be paid from funds
 1 8 appropriated to the judicial branch from the salary adjustment
 1 9 fund or if the appropriation is not sufficient, from funds
 1 10 appropriated to the judicial branch pursuant to any Act of the
 1 11 general assembly.
 1 12 2. The following annual salary rates shall be paid to the
 1 13 persons holding the judicial positions indicated during the
 1 14 fiscal year beginning July 1, 2005, effective with the pay
 1 15 period beginning July 1, 2005, and for subsequent pay periods.
 1 16 a. Chief justice of the supreme court:
 1 17 \$ 132,720
 1 18 b. Each justice of the supreme court:
 1 19 \$ 128,000
 1 20 c. Chief judge of the court of appeals:
 1 21 \$ 127,920
 1 22 d. Each associate judge of the court of appeals:
 1 23 \$ 123,120
 1 24 e. Each chief judge of a judicial district:
 1 25 \$ 122,000
 1 26 f. Each district judge except the chief judge of a
 1 27 judicial district:
 1 28 \$ 117,040
 1 29 g. Each district associate judge:
 1 30 \$ 102,000
 1 31 h. Each associate juvenile judge:
 1 32 \$ 102,000
 1 33 i. Each associate probate judge:
 1 34 \$ 102,000
 1 35 j. Each judicial magistrate:
 2 1 \$ 30,400
 2 2 k. Each senior judge:

Sets the FY 2006 salary rates for judicial positions and prohibits
 judicial positions from receiving additional salary adjustments under
 this Bill.

 DETAIL: Provides a 4.49% salary increase on July 1, 2005, for
 justices, judges, and magistrate. Total cost of these salary increases
 is estimated at \$1,149,170 for FY 2006.

2 3 \$ 6,800

2 4 3. Persons receiving the salary rates established under
2 5 this section shall not receive any additional salary
2 6 adjustments provided by this Act.

2 7 Sec. 2. ELECTIVE EXECUTIVE OFFICIALS.

2 8 1. The annual salary rates specified in this section are
2 9 effective for the fiscal year beginning July 1, 2005, with the
2 10 pay period beginning July 1, 2005, and for subsequent fiscal
2 11 years until otherwise provided by the general assembly. The
2 12 salaries provided for in this section shall be paid from funds
2 13 appropriated to the department or agency specified in this
2 14 section from the salary adjustment fund or if the
2 15 appropriation is not sufficient, from funds appropriated to
2 16 the department or agency pursuant to any Act of the general
2 17 assembly.

2 18 2. The following annual salary rates shall be paid to the
2 19 person holding the position indicated:

2 20 a. OFFICE OF THE GOVERNOR AND LIEUTENANT GOVERNOR

2 21 (1) Salary for the governor:

2 22 \$ 130,000

2 23 (2) Salary for the lieutenant governor:

2 24 \$ 103,212

2 25 b. DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP

2 26 Salary for the secretary of agriculture:

2 27 \$ 103,212

2 28 c. DEPARTMENT OF JUSTICE

2 29 Salary for the attorney general:

2 30 \$ 123,669

2 31 d. OFFICE OF THE AUDITOR OF STATE

2 32 Salary for the auditor of state:

2 33 \$ 103,212

2 34 e. OFFICE OF THE SECRETARY OF STATE

2 35 Salary for the secretary of state:

3 1 \$ 103,212

3 2 f. OFFICE OF THE TREASURER OF STATE

Sets the FY 2006 salary rates for elected executive officials.

DETAIL: Provides a 17.30% salary increase on July 1, 2005, for elected executive officials except the Governor and the Lt. Governor. The Governor receives an increase of \$22,518 (20.95%), and the Lt. Governor receives an increase of \$26,514 (34.57%). The increase includes an inflation adjustment of 12.80% since the last increase and an additional 4.50% increase. Total cost of these salary increases is estimated at \$128,159 for FY 2006.

3 3 Salary for the treasurer of state:
 3 4 \$ 103,212

3 5 Sec. 3. APPOINTED STATE OFFICERS. Notwithstanding section
 3 6 20.5, subsection 3, the governor shall establish a salary for
 3 7 appointed nonelected persons in the executive branch of state
 3 8 government holding a position enumerated in section 4 of this
 3 9 Act within the range provided, by considering, among other
 3 10 items, the experience of the individual in the position,
 3 11 changes in the duties of the position, the incumbent's
 3 12 performance of assigned duties, and subordinates' salaries.
 3 13 However, the attorney general shall establish the salary for
 3 14 the consumer advocate, the chief justice of the supreme court
 3 15 shall establish the salary for the state court administrator,
 3 16 the ethics and campaign disclosure board shall establish the
 3 17 salary of the executive director, and the state fair board
 3 18 shall establish the salary of the secretary of the state fair
 3 19 board, each within the salary range provided in section 4 of
 3 20 this Act.
 3 21 The governor, in establishing salaries as provided in
 3 22 section 4 of this Act, shall take into consideration other
 3 23 employee benefits which may be provided for an individual
 3 24 including, but not limited to, housing.

Requires the Governor to set the salary for most nonelected State officials within the ranges authorized in Section 4. The salaries for the Consumer Advocate, State Court Administrator, Director of the Ethics and Campaign Disclosure Board, and Secretary of the State Fair Board are set by the appropriate directors or boards.

CODE: Requires the Governor to set the salaries of the Chairperson and the two members of the Public Employment Relations Board (PERB).

DETAIL: These salary range adjustments will have an unknown fiscal impact on FY 2006. The cost will be determined by where each nonelected State official will be placed in the new salary ranges.

3 25 A person whose salary is established pursuant to section 4
 3 26 of this Act and who is a full-time, year-round employee of the
 3 27 state shall not receive any other remuneration from the state
 3 28 or from any other source for the performance of that person's
 3 29 duties unless the additional remuneration is first approved by
 3 30 the governor or authorized by law. However, this provision
 3 31 does not exclude the reimbursement for necessary travel and
 3 32 expenses incurred in the performance of duties or fringe
 3 33 benefits normally provided to employees of the state.

Prohibits appointed nonelected State officials from receiving other State remuneration unless authorized by the Governor or by law. This does not apply to travel or expense reimbursements or fringe benefits.

3 34 Sec. 4. STATE OFFICERS -- SALARY RANGE. The following

Provides that salary ranges for appointed nonelected officials are

3 35 annual salary ranges are effective for the positions specified
 4 1 in this section for the fiscal year beginning July 1, 2005,
 4 2 and for subsequent fiscal years until otherwise provided by
 4 3 the general assembly. The governor or other person designated
 4 4 in section 3 of this Act shall determine the salary to be paid
 4 5 to the person indicated at a rate within this salary range
 4 6 from funds appropriated by the general assembly for that
 4 7 purpose.

effective for FY 2006.

4 8 1. The following are salary ranges for state officers for
 4 9 the fiscal year beginning July 1, 2005, effective with the pay
 4 10 period beginning July 1, 2005:

4 11 SALARY RANGE	<u>Minimum</u>	<u>Maximum</u>
4 12 a. Range 1	\$ 8,800	\$ 33,753
4 13 b. Range 2	\$45,395	\$ 68,100
4 14 c. Range 3	\$52,210	\$ 78,315
4 15 d. Range 4	\$60,040	\$ 90,062
4 16 e. Range 5	\$69,045	\$103,571
4 17 f. Range 6	\$79,405	\$119,107
4 18 g. Range 7	\$95,055	\$142,578

Sets the salary rates and ranges for State officials and specifies that the ranges are effective with the pay period beginning July 1, 2005.

DETAIL: The maximum salary for any State official is increased by \$16,403 (13.00%) and the salary ranges have been compressed from nine down to seven.

The Director of the Department of Administrative Services has been added to salary range 7. The Iowa Lottery Commissioner has been eliminated from the salary range and the salary of the Iowa Lottery Authority President is established by the Iowa Lottery Board. The Chief Executive Officer for Iowa Public Employees' Retirement System (IPERS) is established by the IPERS Board. The directors of the Department of General Services, Information Technology Department, and the Department of Personnel have been eliminated from the salary ranges due to the elimination of the departments.

4 19 2. The following are range 1 positions: There are no
 4 20 range 1 positions for the fiscal year beginning July 1, 2005.

Establishes no State officials in salary range 1 (\$8,800 - \$33,753).

DETAIL: This is no change.

4 21 3. The following are range 2 positions: administrator of
 4 22 the arts division of the department of cultural affairs,
 4 23 administrators of the division of persons with disabilities,
 4 24 the division on the status of women, the division on the
 4 25 status of Asian and Pacific islander heritage, the division on

Establishes eight State officials in salary range 2 (\$45,395 - \$68,100).

DETAIL: The Administrator for the Division on the Status of Asian and Pacific Islander Heritage of the Department of Human Rights is added to this salary range. The position has not been established.

4 26 the status of African-Americans, the division of deaf
 4 27 services, and the division of Latino affairs of the department
 4 28 of human rights, and administrator of the division of
 4 29 professional licensing and regulation of the department of
 4 30 commerce.

The current salaries are as follows:

1. Administrator of the Arts Division of the Department of Cultural Affairs - Vacant.
2. Administrator of the Division of Persons with Disabilities of the Department of Human Rights - \$52,000.
3. Administrator of the Division on the Status of Women of the Department of Human Rights - \$58,091.
4. Administrator of the Division on the Status of Asian and Pacific Islander Heritage of the Department of Human Rights - Position has not been established.
5. Administrator of the Division on the Status of African-Americans of the Department of Human Rights - \$52,000.
6. Administrator of the Division of Deaf Services of the Department of Human Rights - \$58,081.
7. Administrator of the Division of Latino Affairs of the Department of Human Rights - \$52,000.
8. Administrator of the Division of Professional Licensing and Regulation of the Department of Commerce - Vacant.

4 31 4. The following are range 3 positions: administrator of
 4 32 the division of homeland security and emergency management of
 4 33 the department of public defense, administrator of the
 4 34 division of criminal and juvenile justice planning of the
 4 35 department of human rights, administrator of the division of
 5 1 community action agencies of the department of human rights,
 5 2 executive director of the commission of veterans affairs, and
 5 3 chairperson and members of the employment appeal board of the
 5 4 department of inspections and appeals.

Establishes seven State officials in salary range 3 (\$52,210 - 78,315), including three members of the Employment Appeal Board of the Department of Inspections and Appeals.

DETAIL: The positions and current salaries are as follows:

1. Administrator of the Division of Homeland Security and Emergency Management of the Department of Public Defense - \$70,246.
2. Administrator of the Division of Criminal and Juvenile Justice Planning of the Department of Human Rights - \$68,786.
3. Administrator of the Division of Community Action Agencies of the Department of Human Rights - \$60,214.
4. Executive Director of the Commission of Veterans Affairs - \$60,105.
5. Chairperson and two members of the Employment Appeal Board of the Department of Inspections and Appeals - \$65,882.

5 5 5. The following are range 4 positions: director of the
 5 6 department of human rights, director of the Iowa state civil
 5 7 rights commission, executive director of the college student
 5 8 aid commission, director of the department for the blind,
 5 9 executive director of the ethics and campaign disclosure
 5 10 board, members of the public employment relations board, and
 5 11 chairperson, vice chairperson, and members of the board of
 5 12 parole.

Establishes 13 State officials in salary range 4 (\$60,040 - \$90,062), including three members of the Public Employment Relations Board and five members of the Board of Parole.

DETAIL: The positions and their current salaries are as follows:

1. Director of the Department of Human Rights - \$75,000.
2. Director of the Iowa State Civil Rights Commission - \$78,000.
3. Executive Director of the College Student Aid Commission - \$80,000.
4. Director of the Department for the Blind - \$80,340.
5. Executive Director of the Ethics and Campaign Disclosure Board - \$80,000.
6. Three members of the Public Employment Relations Board were established outside of the salary ranges with a set salary of \$70,761 for the Chairperson and \$65,920 for each of the two members.
7. Board of Parole - Chairperson (\$75,693), Vice Chairperson (\$65,410), and three members (\$285 per day).

5 13 6. The following are range 5 positions: state public
 5 14 defender, drug policy coordinator, labor commissioner,
 5 15 workers' compensation commissioner, director of the department
 5 16 of cultural affairs, director of the department of elder
 5 17 affairs, director of the law enforcement academy, and
 5 18 administrator of the historical division of the department of
 5 19 cultural affairs.

Establishes eight State officials in salary range 5 (\$69,045 - \$103,571).

DETAIL: The positions and their current salaries are as follows:

1. State Public Defender - \$90,434.
2. Drug Policy Coordinator - \$76,252.
3. Labor Commissioner (Workforce Development) - \$89,985.
4. Workers' Compensation Commissioner (Workforce Development) - \$90,434.
5. Director of the Department of Cultural Affairs - \$89,103.
6. Director of the Department of Elder Affairs - \$91,000.
7. Director of the Iowa Law Enforcement Academy - \$91,155.
8. Administrator of the Historical Division of the Department of Cultural Affairs - Vacant.

5 20 7. The following are range 6 positions: superintendent of
 5 21 banking, superintendent of credit unions, administrator of the

Establishes 15 State officials in salary range 6 (\$79,405 - \$119,107).

5 22 alcoholic beverages division of the department of commerce,
 5 23 director of the department of inspections and appeals,
 5 24 commandant of the veterans home, administrator of the public
 5 25 broadcasting division of the department of education,
 5 26 commissioner of public safety, commissioner of insurance,
 5 27 executive director of the Iowa finance authority, director of
 5 28 the department of natural resources, director of the
 5 29 department of corrections, consumer advocate, and chairperson
 5 30 of the utilities board. The other members of the utilities
 5 31 board shall receive an annual salary within a range of not
 5 32 less than 90 percent but not more than 95 percent of the
 5 33 annual salary of the chairperson of the utilities board.

DETAIL: The positions and their current salaries include:

1. Superintendent of Banking (Department of Commerce) - \$80,340.
2. Superintendent of Credit Unions (Department of Commerce) - \$79,320.
3. Administrator of the Alcoholic Beverages Division (Department of Commerce) - \$100,006.
4. Director of the Department of Inspections and Appeals - \$104,919.
5. Commandant of the Veterans Home - \$92,000.
6. Administrator of the Public Broadcasting Division (Department of Education) - \$96,000.
7. Commissioner of the Department of Public Safety - \$105,781.
8. Commissioner of Insurance (Department of Commerce) - \$92,000.
9. Executive Director of the Iowa Finance Authority - \$105,781.
10. Director of the Department of Natural Resources - \$105,781.
11. Director of the Department of Corrections - \$105,000.
12. Consumer Advocate - \$105,781.
13. Chairperson of the Utilities Board (Department of Commerce) - \$104,758.
14. Two members of the Utilities Board receive not less than 90.0% and not more than 95.0% of the annual salary of the Chairperson, with a current salary of \$99,521.

5 34 8. The following are range 7 positions: administrator of
 5 35 the state racing and gaming commission of the department of
 6 1 inspections and appeals, director of the department of
 6 2 education, director of human services, director of the
 6 3 department of economic development, executive director of the
 6 4 Iowa telecommunications and technology commission, executive
 6 5 director of the state board of regents, director of the state
 6 6 department of transportation, director of the department of
 6 7 workforce development, director of revenue, director of public
 6 8 health, state court administrator, secretary of the state fair
 6 9 board, director of the department of management, and director
 6 10 of the department of administrative services.

Establishes 14 State officials in salary range 7 (\$95,055 - \$142,578).

DETAIL: The positions and their current salaries include:

1. Administrator of the State Racing and Gaming Commission (Department of Inspections and Appeals) - \$105,772.
2. Director of the Department of Education - \$118,000.
3. Director of the Department of Human Services - \$126,175.
4. Director of the Department of Economic Development - \$126,125.
5. Executive Director of the Iowa Telecommunications and Technology Commission (ICN) - \$126,175.
6. Executive Director of the State Board of Regents - \$126,141.

	7. Director of the State Department of Transportation - \$126,173. 8. Director of the Department of Workforce Development - \$113,580. 9. Director of the Department of Revenue - \$126,175. 10. Director of the Department of Public Health - \$122,720. 11. State Court Administrator - \$126,175. 12. Secretary of the State Fair Board - \$124,051. 13. Director of the Department of Management - \$121,553. 14. Director of the Department of Administrative Services - \$123,053.
6 11 Sec. 5. COLLECTIVE BARGAINING AGREEMENTS FUNDED -- GENERAL 6 12 FUND. There is appropriated from the general fund of the 6 13 state to the salary adjustment fund for distribution by the 6 14 department of management to the various state departments, 6 15 boards, commissions, councils, and agencies, excluding the 6 16 state board of regents, for the fiscal year beginning July 1, 6 17 2005, and ending June 30, 2006, the amount of \$38,500,000, or 6 18 so much thereof as may be necessary, to fully fund annual pay 6 19 adjustments, expense reimbursements, and related benefits 6 20 implemented pursuant to the following: 6 21 1. The collective bargaining agreement negotiated pursuant 6 22 to chapter 20 for employees in the blue collar bargaining 6 23 unit. 6 24 2. The collective bargaining agreement negotiated pursuant 6 25 to chapter 20 for employees in the public safety bargaining 6 26 unit. 6 27 3. The collective bargaining agreement negotiated pursuant 6 28 to chapter 20 for employees in the security bargaining unit. 6 29 4. The collective bargaining agreement negotiated pursuant 6 30 to chapter 20 for employees in the technical bargaining unit. 6 31 5. The collective bargaining agreement negotiated pursuant 6 32 to chapter 20 for employees in the professional fiscal and 6 33 staff bargaining unit. 6 34 6. The collective bargaining agreement negotiated pursuant 6 35 to chapter 20 for employees in the clerical bargaining unit. 7 1 7. The collective bargaining agreement negotiated pursuant 7 2 to chapter 20 for employees in the professional social	General Fund appropriation to the Salary Adjustment Fund of \$38,500,000 for FY 2006 to be distributed by the Department of Management (DOM) to the various State departments, boards, commissions, councils, and agencies, excluding the State Board of Regents, to pay salary increases negotiated by the bargaining units as listed. DETAIL: The appropriation funds the collective bargaining agreements for contract-covered employees in all collective bargaining units. These include: American Federation of State, County, and Municipal Employees (AFSCME - Central and CBCs) - <ul style="list-style-type: none"> • Increase the pay range maximum by 2.50% effective April 1, 2006. • Step increases of 4.50% for eligible employees during FY 2006. • The State will pay any increase in health premiums until January 1, 2006. • Establishes a Sick Leave Conversion Program effective July 1, 2006. • Permits an employee's family to use the Employee Assistance Program (EAP). Iowa United Professionals (IUP) - Social Services <ul style="list-style-type: none"> • Change to pay plan 010 from pay plan 009 on April 1, 2006, provides a higher pay maximum than if they did not move. • Step increases of 4.50% for eligible employees during FY 2006. • Establishes a Sick Leave Conversion Program July 1, 2006.

7 3 services bargaining unit.
 7 4 8. The collective bargaining agreement negotiated pursuant
 7 5 to chapter 20 for employees in the community-based corrections
 7 6 bargaining unit.
 7 7 9. The collective bargaining agreements negotiated
 7 8 pursuant to chapter 20 for employees in the judicial branch of
 7 9 government bargaining units.
 7 10 10. The collective bargaining agreement negotiated
 7 11 pursuant to chapter 20 for employees in the patient care
 7 12 bargaining unit.
 7 13 11. The collective bargaining agreement negotiated
 7 14 pursuant to chapter 20 for employees in the science bargaining
 7 15 unit.
 7 16 12. The annual pay adjustments, related benefits, and
 7 17 expense reimbursements referred to in section 6 of this Act
 7 18 for employees not covered by a collective bargaining
 7 19 agreement.

- The State will pay any increase in health premiums until January 1, 2006.

Iowa United Professionals (IUP) - Science

- Increase the pay range maximum by 2.50% April 1, 2006.
- Step increases of 4.50% for eligible employees during FY 2006.
- Establishes a Sick Leave Conversion Program July 1, 2006.
- The State will pay any increase in health premiums until January 1, 2006.

State Police Officer's Council (SPOC) -

- 0.50% across-the-board salary increase on January 1, 2006.
- 1.00% across-the-board salary increases on April 1, 2006.
- Continuation of merit step increases for employees who are not on the top step of the pay range.
- The State will pay any increase in health premiums until January 1, 2006.

Judicial Public, Professional, and Maintenance Employees (PPME) -

- Increase the pay range maximum by 4.00% July 1, 2005.
- Step increases of 2.00% for eligible employees during FY 2006.
- 2.00% across-the-board salary increase on July 1, 2005.
- Beginning July 1, 2005, increases the deferred compensation match by the State. The State contributes \$1 for each \$2 deferred by the employee up to \$50 per month (\$600 annually).

Judicial AFSCME - Step increases of 4.50% for eligible employees during FY 2006.

FISCAL IMPACT: An estimated \$33,620,000 will remain in the Salary Adjustment Fund to be distributed by the DOM after the allocation of \$4,880,000 to the Judicial Branch in this Section.

The estimated identified need for FY 2006 salary increases for employees, excluding the Board of Regents and the Judicial Branch, is \$38,218,729. The Judicial Branch estimated need is \$7,019,813, for a total identified need of \$45,238,542.

Salary related expenses, excluding the Board of Regents, are

estimated to increase by \$54,626,664 in FY 2007 compared to estimated FY 2006.

7 20 Of the amount appropriated in this section, \$4,880,000
7 21 shall be allocated to the judicial branch for the purpose of
7 22 funding annual pay adjustments, expense reimbursements, and
7 23 related benefits implemented for judicial branch employees.

Allocates a \$4,880,000 of the \$38,500,000 appropriated in this Section to the Judicial Branch for contract and noncontract employee salary increases.

FISCAL IMPACT: The estimated additional salary need for the Judicial Branch, in FY 2006, is \$7,019,813.

7 24 Sec. 6. NONCONTRACT STATE EMPLOYEES -- GENERAL.

7 25 1. a. For the fiscal year beginning July 1, 2005, the
7 26 maximum salary levels of all pay plans provided for in section
7 27 8A.413, subsection 2, as they exist for the fiscal year ending
7 28 June 30, 2005, shall be increased by 2.5 percent for the pay
7 29 period beginning March 24, 2006, and any additional changes in
7 30 the pay plans shall be approved by the governor.

Provides noncontract State employees with an increase in the pay range maximum of 2.50% on March 24, 2006, and continuation of merit step increases for employees that are not on the top of the pay range.

Specifies that noncontract State employee increases do not apply to:

7 31 b. For the fiscal year beginning July 1, 2005, employees
7 32 may receive a step increase or the equivalent of a step
7 33 increase.

1. Members of the General Assembly.
2. Board or commission members.
3. Salaries set by the General Assembly.
4. Salaries set by the Governor.
5. Employees under Section 8A.412(5), Code of Iowa, (presidents, deans, directors, teachers, professional and scientific personnel, and student employees of the Board of Regents).
6. Employees of the Board of Regents (except Board Office employees).
7. Employees that exceed the pay for the top of the range.

7 34 2. The pay plans for state employees who are exempt from
7 35 chapter 8A, subchapter IV, and who are included in the
8 1 department of administrative service's centralized payroll
8 2 system shall be increased in the same manner as provided in
8 3 subsection 1, and any additional changes in any executive
8 4 branch pay plans shall be approved by the governor.

DETAIL: The appropriation in Section 5 of this Bill provides funds for noncontract-covered employees including:

8 5 3. This section does not apply to members of the general
8 6 assembly, board members, commission members, salaries of
8 7 persons set by the general assembly pursuant to this Act or
8 8 set by the governor, other persons designated in section 3 of
8 9 this Act, employees designated under section 8A.412,
8 10 subsection 5, and employees covered by 11 IAC 53.6(3).

8 11 4. The pay plans for the bargaining eligible employees of
8 12 the state shall be increased in the same manner as provided in

Judicial Exempt -

- Change to pay plan 030 from pay plan 014 effective April 1, 2006, to move in line with the AFSCME pay plan.
- Step increases of 4.50% for eligible employees during FY 2006.

8 13 subsection 1, and any additional changes in such executive
 8 14 branch pay plans shall be approved by the governor. As used
 8 15 in this section, "bargaining eligible employee" means an
 8 16 employee who is eligible to organize under chapter 20, but has
 8 17 not done so.

Non-Contract -

- Increase the pay range maximum by 2.50% effective April 1, 2006.
- Step increases of 4.00% for eligible employees during FY 2006.
- Establishes a Sick Leave Conversion Program effective July 1, 2006.
- The State will pay any increase in health premiums until January 1, 2006.

8 18 5. The policies for implementation of this section shall
 8 19 be approved by the governor.

Requires the Governor to approve the policies for implementation of this Section.

8 20 Sec. 7. APPROPRIATIONS FROM ROAD FUNDS.

8 21 1. There is appropriated from the road use tax fund to the
 8 22 salary adjustment fund for the fiscal year beginning July 1,
 8 23 2005, and ending June 30, 2006, the following amount, or so
 8 24 much thereof as may be necessary, to be used for the purpose
 8 25 designated:
 8 26 To supplement other funds appropriated by the general
 8 27 assembly:
 8 28 \$ 1,635,317

Road Use Tax Fund appropriation to the Salary Adjustment Fund.

8 29 2. There is appropriated from the primary road fund to the
 8 30 salary adjustment fund, for the fiscal year beginning July 1,
 8 31 2005, and ending June 30, 2006, the following amount, or so
 8 32 much thereof as may be necessary, to be used for the purpose
 8 33 designated:
 8 34 To supplement other funds appropriated by the general
 8 35 assembly:
 9 1 \$ 9,233,486

Primary Road Fund appropriation to the Salary Adjustment Fund.

9 2 3. Except as otherwise provided in this Act, the amounts

Requires appropriations from the Road Use Tax Fund and the

9 3 appropriated in subsections 1 and 2 shall be used to fund the	Primary Road Fund to be used as provided in this Bill
9 4 annual pay adjustments, expense reimbursements, and related	
9 5 benefits for public employees as provided in this Act.	
9 6 Sec. 8. SPECIAL FUNDS -- AUTHORIZATION. To departmental	Provides supplemental expenditure authorization for revolving trust
9 7 revolving, trust, or special funds, except for the primary	funds or other special funds, except the Road Use Tax Fund and the
9 8 road fund or the road use tax fund, for which the general	Primary Road Fund, to be used to fund salary adjustments
9 9 assembly has established an operating budget, a supplemental	
9 10 expenditure authorization is provided, unless otherwise	
9 11 provided, in an amount necessary to fund salary adjustments as	
9 12 otherwise provided in this Act.	
9 13 Sec. 9. GENERAL FUND SALARY MONEYS. Funds appropriated	Requires that the General Fund appropriation made in this Bill be
9 14 for distribution from the salary adjustment fund in section 5	used only to support salaries funded from the General Fund
9 15 of this Act relate only to salaries supported from general	
9 16 fund appropriations of the state except for employees of the	
9 17 state board of regents.	
9 18 Sec. 10. FEDERAL FUNDS APPROPRIATED. All federal grants	Requires eligible federal funds received to be expended for salary
9 19 to and the federal receipts of the agencies affected by this	adjustments where appropriate.
9 20 Act which are received and may be expended for purposes of	
9 21 this Act are appropriated for those purposes and as set forth	
9 22 in the federal grants or receipts.	
9 23 Sec. 11. STATE TROOPER MEAL ALLOWANCE. The sworn peace	Specifies that sworn peace officers in the Department of Public
9 24 officers in the department of public safety who are not	Safety, not covered by a collective bargaining agreement, receive the
9 25 covered by a collective bargaining agreement negotiated	same per diem meal allowance as covered sworn peace officers.
9 26 pursuant to chapter 20 shall receive the same per diem meal	
9 27 allowance as the sworn peace officers in the department of	
9 28 public safety who are covered by a collective bargaining	
9 29 agreement negotiated pursuant to chapter 20.	
9 30 Sec. 12. SICK LEAVE CONVERSION. Effective with the fiscal	Extends the AFSCME Sick Leave Conversion Program to
9 31 year beginning July 1, 2006, the sick leave conversion program	noncontract-covered Executive Branch employees, excluding the

9 32 under the collective bargaining agreement that covers the
 9 33 greatest number of state employees and that affects sick leave
 9 34 accrual and allows sick leave conversion and use upon
 9 35 retirement for payment of certain health insurance premiums,
 10 1 shall be extended to employees in the executive branch,
 10 2 excluding state board of regents employees, not covered by a
 10 3 collective bargaining agreement. Peace officers employed
 10 4 within the department of public safety and department of
 10 5 natural resources that are not covered under a collective
 10 6 bargaining agreement shall have a sick leave conversion
 10 7 program extended to them that is equivalent to the sick leave
 10 8 conversion program of the state police officers council
 10 9 collective bargaining agreement. By December 1, 2005, the
 10 10 department of administrative services shall submit to the
 10 11 general assembly proposed changes to the Code of Iowa and
 10 12 administrative rules needed to implement this program.

Board of Regent's employees, and the SPOC Sick Leave Conversion Program to peace officer supervisors, effective July 1, 2006. Requires the Department of Administrative Services to submit proposed statutory and administrative rule changes necessary to implement the Program to the General Assembly by December 1, 2005.

DETAIL: The AFSCME Program permits employees to use the value of accumulated and unused sick leave first for the receipt of up to \$2,000 and then for the payment of the employer's share of health insurance premiums upon retirement and until age 65, or the death of the retiree. Employees with 750 hours or less can convert 60.00%; over 750 hours and less than 1,500 hours can convert 80.00%; and 1,500 hours or more can convert 100.00%, of the value. Changes the accrual rate of sick leave based on the current balance of sick leave hours the employee has accrued.

The SPOC Program permits employees to use 100.00% of the value of accumulated and unused sick leave to pay for health, dental, or life insurance premiums until the converted value is exhausted. The surviving spouse is entitled to use the remaining value upon the death of the retiree. Changes the accrual rate of sick leave based on the current balance of sick leave hours the employee has accrued.

10 13 Sec. 13. APRIL 8, 2005, REVENUE ESTIMATE. For use by the
 10 14 general assembly in the budget process and the governor's
 10 15 approval or disapproval of the appropriations bills for the
 10 16 fiscal year beginning July 1, 2005, and for purposes of
 10 17 calculating the state general fund expenditure limitation
 10 18 pursuant to section 8.54 for the fiscal year beginning July 1,
 10 19 2005, the revenue estimate for the fiscal year beginning July
 10 20 1, 2005, that shall be used in the budget process and such
 10 21 calculation shall be the revenue estimate determined by the
 10 22 revenue estimating conference on April 8, 2005,
 10 23 notwithstanding the provision in section 8.22A, subsection 3,
 10 24 that disallows the use of a revenue estimate agreed to at a
 10 25 later meeting that projects a greater amount than the initial
 10 26 estimated amount agreed to in December 2004. This section

CODE: Provides that the Revenue Estimating Conference (REC) revenue estimate of April 8, 2005, and not the December 14, 2004, estimate, is to be used to determine the expenditure limitation for FY 2006.

FISCAL IMPACT: Using the April 8, 2005, estimate will permit an additional \$84,150,000 to be expended for FY 2006 appropriations.

10 27 also authorizes the use of the estimated revenue figures for
 10 28 the purposes or sources designated in section 8.22A,
 10 29 subsection 5.

10 30 Sec. 14. Section 2.10, subsections 1, 2, 5, and 6, Code
 10 31 2005, are amended to read as follows:
 10 32 1. Every member of the general assembly except the
 10 33 presiding officer of the senate, the speaker of the house, the
 10 34 majority and minority floor leader of each house, and the
 10 35 president pro tempore of the senate and speaker pro tempore of
 11 1 the house, shall receive an annual salary of ~~twenty twenty-~~
 11 2 five thousand one hundred twenty dollars for the year ~~1997~~
 11 3 2007 and subsequent years while serving as a member of the
 11 4 general assembly. In addition, each such member shall receive
 11 5 ~~the sum of eighty-six dollars per day a per diem, as defined~~
 11 6 in subsection 5, for expenses of office, except travel, for
 11 7 each day the general assembly is in session commencing with
 11 8 the first day of a legislative session and ending with the day
 11 9 of final adjournment of each legislative session as indicated
 11 10 by the journals of the house and senate, except that if the
 11 11 length of the first regular session of the general assembly
 11 12 exceeds one hundred ten calendar days and the second regular
 11 13 session exceeds one hundred calendar days, the payments shall
 11 14 be made only for one hundred ten calendar days for the first
 11 15 session and one hundred calendar days for the second session.
 11 16 Members from Polk county shall receive ~~sixty-five dollars per-~~
 11 17 day an amount per day equal to three-fourths of the per diem
 11 18 of the non-Polk county members. Each member shall receive a
 11 19 ~~two~~ three hundred dollar per month allowance for legislative
 11 20 district constituency postage, travel, telephone costs, and
 11 21 other expenses. Travel expenses shall be paid at the rate
 11 22 established by section 8A.363 for actual travel in going to
 11 23 and returning from the seat of government by the nearest
 11 24 traveled route for not more than one time per week during a
 11 25 legislative session unless the general assembly otherwise
 11 26 provides.

CODE: Increases salaries for members of the General Assembly.
 Also increases daily expense and constituency payments.

DETAIL: Changes include:

- Increases the annual salary for members of the General Assembly (except the Presiding Officer of the Senate, the Speaker of the House, the Majority and Minority Floor Leader of each chamber, and the President Pro Tempore of the Senate, and Speaker Pro Tempore of the House) from \$21,381 to \$25,000, beginning January 2007.
- Increases the daily expense payment of \$86 per day to the federal government per diem rate. The current maximum federal per diem rate for Polk County is \$105. This is comprised of a maximum of \$70 for lodging and \$35 for meals and incidental expenses (M&IE). Polk County members will receive 75.0% of the maximum rate (\$78.75).
- Increases the constituency payment from \$200 per month to \$300 per month.
- Increases the annual salary for the Presiding Officer of the Senate, the Speaker of the House, and the Majority and Minority Floor Leader of each chamber, from \$32,974 to \$37,500, beginning in January 2007.
- Increases the annual salary for the President Pro Tempore of the Senate, and Speaker Pro Tempore of the House, from \$22,624 to \$27,000, beginning in January 2007.

FISCAL IMPACT: Increasing legislative salaries will increase pay by an estimated \$549,806 per year, beginning in January 2007.

Increasing the per diem will increase payments by \$2,756 per day for all authorized days, beginning in January 2007. A 110 day Legislative Session will cost an additional \$303,105 and 100 days an additional \$275,800.

11 27 2. The speaker of the house, presiding officer of the
11 28 senate, and the majority and minority floor leader of each
11 29 house shall each receive an annual salary of ~~thirty-one~~
11 30 thirty-seven thousand ~~thirty five hundred~~ dollars for the year
11 31 ~~1997~~ 2007 and subsequent years while serving in that capacity.
11 32 The president pro tempore of the senate and the speaker pro
11 33 tempore of the house shall receive an annual salary of
11 34 ~~twenty-one~~ twenty-seven thousand ~~two hundred ninety~~ dollars
11 35 for the year ~~1997~~ 2007 and subsequent years while serving in
12 1 that capacity. Expense and travel allowances shall be the
12 2 same for the speaker of the house and the presiding officer of
12 3 the senate, the president pro tempore of the senate and the
12 4 speaker pro tempore of the house, and the majority and
12 5 minority leader of each house as provided for other members of
12 6 the general assembly.

12 7 5. In addition to the salaries and expenses authorized by
12 8 this section, a member of the general assembly shall be paid
12 9 ~~eighty-six dollars per day~~ a per diem, and necessary travel
12 10 and actual expenses incurred in attending meetings for which
12 11 per diem or expenses are authorized by law for members of the
12 12 general assembly who serve on statutory boards, commissions,
12 13 or councils, and for standing or interim committee or
12 14 subcommittee meetings subject to the provisions of section
12 15 2.14, or when on authorized legislative business when the
12 16 general assembly is not in session. However, if a member of
12 17 the general assembly is engaged in authorized legislative
12 18 business at a location other than at the seat of government
12 19 during the time the general assembly is in session, payment
12 20 may be made for the actual transportation and lodging costs
12 21 incurred because of the business. Such per diem or expenses
12 22 shall be paid promptly from funds appropriated pursuant to
12 23 section 2.12.

12 24 For purposes of this section, "per diem" means the maximum
12 25 amount generally allowable to employees of the executive
12 26 branch of the federal government for per diem while away from
12 27 home at the seat of government.

12 28 6. If a special session of the general assembly is

Increasing legislative constituency payments will increase payments
an estimated \$180,000 per year, beginning in January 2007.

12 29 convened, members of the general assembly shall receive, in
 12 30 addition to their annual salaries, ~~the sum of eighty six~~
 12 31 ~~dollars per day~~ a per diem for each day the general assembly
 12 32 is actually in special session, and the same travel allowances
 12 33 and expenses as authorized by this section. A member of the
 12 34 general assembly shall receive the additional per diem, travel
 12 35 allowances and expenses only for the days of attendance during
 13 1 a special session.

13 2 Sec. 15. Section 99D.5, subsection 4, Code 2005, is
 13 3 amended to read as follows:
 13 4 4. Commission members are each entitled to receive an
 13 5 annual salary of ~~six~~ ten thousand dollars. Members shall also
 13 6 be reimbursed for actual expenses incurred in the performance
 13 7 of their duties to a maximum of thirty thousand dollars per
 13 8 year for the commission. Each member shall be covered by the
 13 9 blanket surety bond of the state purchased pursuant to section
 13 10 8A.321, subsection 12.

CODE: Increases the annual salary of members of the Racing and Gaming Commission from \$6,000 to \$10,000.

DETAIL: There are five members of the Commission.

13 11 Sec. 16. EFFECTIVE AND RETROACTIVE APPLICABILITY DATES.
 13 12 Section 14 of this Act takes effect upon the convening of the
 13 13 Eighty-second General Assembly in January 2007. The section
 13 14 of this Act relating to the use of the April 8, 2005, revenue
 13 15 estimate, being deemed of immediate importance, takes effect
 13 16 upon enactment and applies retroactively to January 10, 2005.

Provides that Section 14 of this Bill, relating to increases in salary and expense payments for members of the General Assembly, is effective in January 2007, upon the convening of the Eighty-second General Assembly.

Provides that Section 13 of this Bill, relating to the use of the April 8, 2005, Revenue Estimating Conference (REC) revenue estimate is effective upon enactment and retroactive to January 10, 2005.

13 17 EXPLANATION

13 18 This bill relates to the funding for the fiscal year
 13 19 beginning July 1, 2005, of salary increases for state elected
 13 20 executive officers, state appointed nonelected officers,
 13 21 justices, judges, magistrates, employees subject to collective
 13 22 bargaining agreements, certain noncontract employees, and
 13 23 members of the general assembly. Board of regents employees

13 24 are excluded.

13 25 The annual salaries of the state elected executive officers
13 26 are increased by approximately 12.8 percent except for the
13 27 governor's and lieutenant governor's, which increase
13 28 approximately 20 percent and 38 percent, respectively. The
13 29 annual salaries of the justices, judges, and judicial
13 30 magistrates are increased by approximately 5 percent.

13 31 The bill provides supplemental authorization to fund
13 32 salaries from trust, revolving, and special funds for which
13 33 the general assembly has established a budget, except for
13 34 board of regents employees.

13 35 The bill provides for sick leave conversion programs for
14 1 executive branch employees not covered by a collective
14 2 bargaining agreement, excluding board of regents employees.

14 3 The bill increases the pay of the members of the general
14 4 assembly, except for the leadership, from \$21,380.54 to
14 5 \$25,000. The leadership's increase in pay is from \$32,974.06
14 6 to \$37,500, with the president pro tem's and speaker pro tem's
14 7 annual salary increasing from \$22,623.84 to \$27,000. The bill
14 8 also increases the per diem from \$86 to the maximum amount
14 9 allowed by the executive branch of the federal government
14 10 while away from home at the seat of government, with Polk
14 11 county legislators receiving three-fourths of that amount
14 12 while the general assembly is in session. The bill increases
14 13 the monthly legislative district constituency allowance from
14 14 \$200 to \$300.

14 15 The provisions relating to the compensation and benefits of
14 16 the members of the general assembly in the bill take effect
14 17 upon the convening of the Eighty-second General Assembly, 2007
14 18 Session.

14 19 The bill also provides that members of the racing and
14 20 gaming commission are to receive an annual salary of \$10,000.

14 21 The bill provides that for purposes of the budgeting
14 22 process and the state general fund expenditure limitation, the
14 23 revenue estimate made by the revenue estimating council on
14 24 April 8, 2005, is to be used.

PG LN

House File 881

Explanation

14 25 LSB 1106HV 81

14 26 mg:rj/sh/8

Administration and Regulation

General Fund

H.F. 881	Actual FY 2004	Estimated FY 2005	House Action FY 2006	Senate Approp FY 2006	Senate Approp vs House Act	Page & Line Number
	(1)	(2)	(3)	(4)	(5)	(6)
<u>Management, Department of</u> Salary Adjustment	\$ -13,410,826		\$ 38,500,000	\$ 38,500,000	\$ 0	PG 6 LN 11

Administration and Regulation

Non General Fund

H.F. 881	Actual FY 2004	Estimated FY 2005	House Action FY 2006	Senate Approp FY 2006	Senate Approp vs House Act	Page & Line Number
	(1)	(2)	(3)	(4)	(5)	(6)
Management, Department of						
Road Use Tax Salary Adjustment	\$ 3,000,000	\$ 3,000,000	\$ 1,635,317	\$ 1,635,317	\$ 0	PG 8 LN 21
Primary Road Salary Adjustment	12,000,000	12,000,000	9,233,486	9,233,486	0	PG 8 LN 29
Total Management, Department of	\$ 15,000,000	\$ 15,000,000	\$ 10,868,803	\$ 10,868,803	\$ 0	
Total Administration and Regulation	\$ 15,000,000	\$ 15,000,000	\$ 10,868,803	\$ 10,868,803	\$ 0	